



CITY OF ROANOKE OFFICE OF THE CITY MANAGER

Noel C. Taylor Municipal Building
215 Church Avenue, S.W., Room 364
Roanoke, Virginia 24011-1591
Telephone: (540) 853-2333
Fax: (540) 853-1138
CityWeb: www.roanokegov.com

June 21, 2004

Honorable Ralph K. Smith, Mayor
Honorable C. Nelson Harris, Vice Mayor
Honorable William D. Bestpitch, Council Member
Honorable M. Rupert Cutler, Council Member
Honorable Alfred T. Dowe, Jr., Council Member
Honorable Beverly T. Fitzpatrick, Jr., Council Member
Honorable Linda F. Wyatt, Council Member

**Subject: Amendment Four to
 Agreement with Arena
 Ventures, LLC.**

Dear Mayor Smith and Members of City Council:

Background:

In May, 2001, City Council authorized City officials to enter into a License Agreement ("Agreement") with Arena Ventures, LLC, ("AV") that provided for use of the Civic Center Coliseum and certain related Civic Center facilities by AV to provide a certain number of National Basketball Development League ("NBDL") games and a certain number of entertainment events produced by SFX Concerts, Inc., over a five year period. The Agreement was entered into on May 18, 2001, and subsequently amended on September 3, 2002, September 4, 2002, and December 1, 2003.

Section 14.2 (b) of the Agreement provides AV the right to terminate the Agreement if the average paid attendance at regular season NBDL League Games is less than 4,500 in any League season ending prior to June 1, 2004. Under the original terms of the Agreement, AV would have had to provide the City with written notice no later than May 31, 2004, were it to have exercised this option.

Because attendance at NBDL League Games has been lower than the 4,500 threshold over the past three seasons, and due to other business

Mayor Smith and Members of City Council
June 21, 2004
Page 2

concerns, Arena Ventures indicated that it wanted to renegotiate the Agreement without the pressure of the May 31 deadline. For this reason, City Council authorized the extension of this deadline until June 30, 2004, in order to give both parties sufficient time to renegotiate certain terms of the Agreement.

Considerations:

AV has requested further amendments to the Agreement, related to the goal of reducing AVs operating cost and increasing AVs revenue by sharing a greater percentage of the facility surcharge fee. In addition, AV has requested a reduction in the amount of the fee AV pays for use of the Coliseum for each League Game from \$5000 to \$4000. In return for these concessions, AV has agreed to waive its exclusive right to sell fixed advertising on the Outer Concourse level of the Civic Center Coliseum with respect to Old Time Hockey, LLC, (i.e. the Roanoke Express). These concessions will not have a significant financial impact on the operations of the Civic Facilities Fund; therefore a budget adjustment is not considered necessary in conjunction with this agreement.

Recommended Action:

Authorize the City Manager and City Clerk, to execute and attest respectively, an amendment to the License Agreement with Arena Ventures, LLC, providing for the amendments set forth above. All documents shall be upon form approved by the City Attorney.

Respectfully submitted,



Darlene L. Burcham
City Manager

DLB:dc

c: Mary F. Parker, City Clerk
William M. Hackworth, City Attorney
Jesse A. Hall, Director of Finance
Wilhemina Boyd, Director of Civic Facilities

CM04-00114

IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA

AN ORDINANCE authorizing the City Manager and City Clerk to execute and attest, respectively, an amendment to the License Agreement entered into with Arena Ventures, LLC, dated May 18, 2001, as amended, upon certain terms and conditions; and dispensing with the second reading of this ordinance by title.

BE IT ORDAINED by the Council of the City of Roanoke as follows:

1. The City Manager and City Clerk are hereby authorized to execute and attest, respectively, an amendment to the License Agreement entered into between the City of Roanoke and Arena Ventures, LLC, dated May 18, 2001, as amended, amending such agreement to provide for a lower fee for Arena Ventures' use of the Roanoke Civic Center Coliseum and certain other City facilities, and to allow the sharing of a greater percentage of the Roanoke Civic Center facility surcharge fee between the parties, as further described in the City Manager's letter to City Council dated June 21, 2004. All documents to be executed shall be upon form approved by the City Attorney.

2. Pursuant to Section 12 of the City Charter, the second reading of this ordinance by title is hereby dispensed with.

ATTEST:

City Clerk.